

WORKING CAPITAL FUND BOARD
MINUTES OF THE MEETING
August 16, 2001

(1) Introduction

The Board Chair, Doctor Bruce Carnes, called the meeting to order. He discussed several issues of interest to the Board including organizational and structural changes at the department and budget trends (FY 2002 Congressional marks and Administration targets for FY 2003). He also discussed administrative management initiatives for workforce restructuring, that is, reducing layers; human capital; A-76 “competitive sourcing”; and, a thorough review of the Fund to maximize its utility. Howard Borgstrom will review all assumptions and make a recommendation for the future of the Fund.

Doctor Carnes left to attend another meeting and Howard Borgstrom continued the meeting as Chair.

(2) Chief Information Officer

The CIO, Howard Landon, addressed the Board concerning his meetings with the Deputy Secretary Blake. He has been asked to present a plan on August 24 to detail how he would propose obtaining 5% efficiencies through internal management of corporate IT. He discussed progress by the NNSA on their enterprise IT contract awarded in August. It is an example of contracting for common services and managed for results.

(3) Western Area Power Administration Dispute

Richard Tedrow, Chair of the Dispute Resolution Council, presented the Board with the Council recommendation in the subject dispute. The background and recommendation is documented in his memo to the CFO dated July 27, 2001. This memo is available on the WCF web page.

Some of the problems with the recommendation were discussed, as were other sources of funds. The CIO expressed a willingness to pay for their share of the recommendation, as did WAPA. The Board asked why the CIO had been identified for a source of funding. A member of the council offered that the original funding for the DOE net had been in the CIO budget. There was a strong sense from the Board that changes to budget requirements outside of the budget cycle need more formal communication and feedback from the affected program customers.

Adrianne Moss, representing the Office of Budget indicated that there were WAPA funds available that would not require a reprogramming and would exceed the funds identified earlier. The Board voted without dissent to require

WAPA to pay the bill. CFO is expected to work with Western to get the maximum payment (which may be through the use of prior year deobligations or existing funds).

(4) Proposal to add Optical Character Recognition to the Copy Business Line and Rename the Expanded Business Integrated Document Solutions.

The Chair withdrew the proposal pending preparation of a business case for presentation to the Board.

(5) Approval of Minutes, May 24, 2001 Meeting

After hearing an overview of the Minutes, the Board approved the minutes of May 24, 2001 WCF Board meeting without comment.

(6) Third Quarter Financial Report

Business earning exceeded business expenses by \$5.3 million. This is due largely to when we recognize earnings in the building business and does not represent true profit and deferral of PeopleSoft implementation in Payroll.

The Fund Manager reported efforts in coordination with the CFO to reconcile WCF financial reporting with the Department's financial reports. This effort revealed the need to recognize \$1.0 million of additional expenses to the Network business line for FY 1998 DYNCORP activity. Although this expense was not reported to the Fund, it was included in the Department's financials for FY 1998. This adjustment will result in no change in retained earnings or cash balances. Board members expressed concern about a change of this magnitude. They were concerned that this would require additional program funds (not needed). They also asked to distinguish these charges from the final closeout charges for DYNCORP (FY 98 charges two years earlier than closeout charges).

(7) FY 2003 Working Capital Fund Budget Estimates and Revised FY 2002 Budget Estimates.

The current estimates published for the Corporate Budget are unchanged for the OMB budget submission. These estimates are maintained on the Fund web site.

(8) Progress Report on Payroll Outsourcing to GSA

Jean Morgan, Director of the Capital Accounting Center, presented status of the outsourcing. A report to the Board should be available in late fall of this year. Booz Allen Hamilton is providing technical support to the fit gap analysis with GSA. Some of the funding for this activity are balances from the first BAH task.

(9) Five-year Business Plans for Copy and CHRIS businesses for Board Review and Comment

The Fund Manager distributed copies of business plans for Copy and CHRIS businesses for review and comment. These plans will soon be added to the Working Capital Fund web site. So far we have circulated plans for Contract Closeout, Online Learning, Payroll, and Building Occupancy. The plans for Information Technology, Mail, and Printing and Graphics are in draft and will be presented to the Board when completed. We invite you to comment on plans by September 15. Your comments will be considered by the business line managers.

(10) Extending Terms of Board Members

At the May 24 Board meeting the Board approved extending the current membership through December 2001. On June 6, Deputy Secretary Blake approved extending the terms. In order to effect the Secretary's reorganization it will be necessary to review Board membership. However, this review can coincide with the need for new membership January 2002.

(11) The Board voted to adjourn.

Representing the Board:

CR	Bruce Carnes	CIO	Howard Landon
MA	Howard Borgstrom	GC	Ralph Goldenberg
SC	John Rodney Clark	EH	Lesley Gasperow
NE	Lang Soo Hoo	EI	Steve Durbin
EM	Stephen Warren	SO	Ron Shores
DP	Roger Lewis	PI	Camille Jagessar
FE	Chuck Roy		

Representing the Dispute Resolution Council:

R. Tedrow

ATTENDEES:

Rod Witschey- SO
Mike Orosz – SO
Anthony Castellano – SO
Peter Richards- SO
Kathryn Schanck - CR
Jean Morgan - CR
Jack Dodd- PML
Laura Brown - PA
Barry Schrum – IG
Adrianne Moss – CR
Kent Hibben - HG

MA:

Bob Emond
Ingrid Robinson
Roscoe Harris
Doug Bielan
Louis D'Angelo
John Harrison
Tony Nellums
Mary Anderson
Jeffrey Rubenstein